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For more information, contact:
Mike Gowrylow
(360) 570-6048

Home Builder Charged with First Degree Felony Theft of Sales Tax

SEATTLE, Wash., March 26, 2010 – Bellevue custom home builder Grey T. Lundberg was charged today with stealing more than \$629,000 in sales tax he collected on construction work from June 2006 through December 2008.

The first-degree felony theft charges were filed against Lundberg, former owner of CMI Homes and current owner of Grey Lundberg, Inc., by the Criminal Justice Division of the Attorney General's Office at the request of the Washington State Department of Revenue.

Lundberg's upscale homes were featured at Street of Dreams events, including a \$2 million Best of Show home that was among three burned down by arsonists in Snohomish County in March 2008.

According to charging papers filed in King County Superior Court, Lundberg, 48, failed to file state tax returns from the time he started CMI Homes in July 2006 through December 2007. He began filing tax returns in January 2008 after becoming aware that the Department of Revenue was auditing his company, but still didn't remit any sales tax he had collected. Lundberg later admitted he knew that he was required to remit the sales tax he collected from customers.

Sales taxes collected by businesses are trust funds. Failure to remit them to the state can be charged as theft, and depending upon the amount of funds stolen could be punishable by up to 10 years in jail and a \$20,000 fine.

Lundberg is scheduled to be arraigned at 8:30 a.m. April 7 in courtroom E-1201 of the King County courthouse.

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